

Resolution No:	<u>16-432</u>
Introduced:	<u>January 15, 2008</u>
Adopted:	<u>January 22, 2008</u>

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: County Council

SUBJECT: Approval of the FY2008 budget savings plans for County Government, Montgomery County Public Schools, Montgomery College, and the Maryland-National Capital Park and Planning Commission

Background

1. On May 24, 2007 the Council approved the FY2008 operating budget for the County Government in Resolution No. 16-164. Action clause 43 provided that: "As a condition of spending any funds appropriated in this resolution and not disapproved or reduced under Charter Section 306, the Executive must transmit to the Council any recommended budget savings plan or similar action.... Any budget savings plan or similar action is subject to review and approval by the Council...."
2. In a memorandum to the Council President dated November 21, 2007, the Executive proposed a budget savings plan for the remainder of FY2008 to help address an operating budget shortfall in FY2009 projected at \$401 million. The Executive proposed savings of 2 percent of the FY2008 tax supported appropriation for County Government, or \$23.7 million, and noted that a similar approach by Montgomery County Public Schools, Montgomery College, and the Maryland-National Capital Park and Planning Commission would result in total savings of \$64.1 million.
3. In a memorandum to the leaders of these agencies dated December-10, 2007, the Council President expressed appreciation for their desire to cooperate in addressing the County's fiscal challenges and requested them to transmit their specific savings recommendations.

4. In a memorandum to the Council President dated December 21, 2007, the Executive proposed savings of \$23.6 million for County Government. The Executive noted that Montgomery College had committed to savings of 2 percent of its County funding, or about \$2 million, and that savings plans from the other agencies would be forthcoming.
5. On January 3, 2008 the Council Staff Director transmitted to the Office of Management and Budget a consolidated list of questions from Councilmembers and Council staff about the proposed savings plan for County Government. On January 9, 2008 the Executive transmitted to the Council President responses to these questions.
6. Savings in FY2008 proposed by the Executive for County Government, and savings proposed by the other agencies, are summarized in the table below:

Agency	Proposed Savings
County Government	\$23,635,350
MCPS	10,200,000
Montgomery College	1,972,000
M-NCPPC	1,937,300
Total	\$37,744,650

Action

1. The County Council for Montgomery County, Maryland approves the FY2008 budget savings plans as proposed in the attached documents, with the following exceptions:

The Council did not approve the following savings the Executive proposed for County Government:

Department of Health and Human Services	
S24 – Reduce SNH-Supportive Housing Rental Assistance Program (SHRAP) & Partnership for Permanent Housing (PPHII) subsidies	\$265,000
S29 – Delay implementation of new FY08 initiatives	574,950
S32 – Reduce home care services	30,000
S34 – Reduce treatment slots available to Avery Road Combined Care	50,000
Fire and Rescue Service	
S11 – Delay implementation of Silver Spring Flex Unit for six months	178,000
S14 – Reduce EMS overtime by transferring EMS resources from Glen Echo and Laytonsville to Gaithersburg and Kensington	400,000
S15 – Destaff Germantown Rescue Squad and increase Rescue Truck staffing by one	740,000
S16 – Take Hillandale Truck 712 out of service	995,000
Mass Transit	
S13 – Stop Kids Ride Free effective April 1, 2008	25,000
S14 – Freeze Call 'N Ride Program effective April 1, 2008	1,051,000
S15 – Eliminate Ride-On Route 75	148,270
NDA	
S1–Grant to HOC, summer camp for youth	20,000
Public Works and Transportation	
S5 – Reduce contribution to COG for Potomac Trash Free Treaty	25,000
Total savings the Council did not approve for County Government	4,502,220
Savings the Council approved for County Government	(19,133,130)

2. The Council approves savings by agency as summarized in the table below:

Agency	Approved Savings
County Government	\$(19,133,130)
MCPS	(10,200,000)
Montgomery College	(1,972,000)
M-NCPPC	(1,937,300)
Total	(33,242,430)

This is a correct copy of Council action.



Linda M. Lauer, Clerk of the Council



OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

MEMORANDUM

December 21, 2007

Isiah Leggett
County Executive

TO: Michael J. Knapp, Council President

FROM: Isiah Leggett, County Executive

SUBJECT: FY08 Savings Plan

Attached please find my recommendations for savings in the current FY08 Operating Budget for Montgomery County Government. The attached plan identifies savings of over \$23.6 million which is 2 percent of the original tax supported appropriation.¹ Recall that the rate of growth in my FY08 Recommended Budget for the County Government was 6.9 percent. Incorporating these reductions, the rate of growth would only be 5.3 percent which compares to a 14.1 percent growth rate in the FY07 Approved budget. This represents significant progress already achieved in bringing expenditures to more sustainable levels. In addition, the attached plan also identifies additional revenues of over \$1.4 million. We have worked to identify savings that could be realized without impacting direct services, especially to public safety and our vulnerable residents. However, some service reductions are unavoidably included in the attached proposed plan.

I would also like to acknowledge the participation of Montgomery College which has committed to current year expenditure reductions of nearly \$2 million, or two percent of its County funding. The Superintendent has announced a hiring freeze of certain positions and other actions, but we will not receive a specific savings amount until the Board of Education's review in January. We are currently awaiting a response from the Planning Commission.

As you are aware, the projected operating budget shortfall for FY09 is \$401 million – nearly 10 percent of the County's total FY08 operating budget. I strongly believe we must begin now to address the FY09 shortfall by reducing expenditures in the current FY08 budget. While some of these reductions will be difficult for the Council to consider, any deferral in making hard choices now will only make our work more difficult in the spring as we finalize the FY09 operating and capital budgets. I urge the Council to expedite its review and approval of the attached savings plan so that the necessary actions can be implemented as soon as possible.

My staff is available to assist the Council in its review of the attached proposal. Thank you for your support of our efforts to preserve our most important services while preserving the fiscal health of the County Government.

IL:jfb

¹ Calculation of this figure excludes certain non-discretionary, non-departmental accounts including Retiree Health Insurance, Municipal Tax Duplication payments, Association Dues, community grants where mid year savings are not possible.

Michael J. Knapp, Council President
December 21, 2007
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cc: Timothy L. Firestine, Chief Administrative Officer
Jennifer Barrett, Director, Department of Finance
Joseph F. Beach, Director, Office of Management and Budget
Dr. Jerry Weast, Superintendent, Montgomery County Public Schools
Dr. Brian Johnson, President, Montgomery College
Royce Hanson, Chair, Montgomery County Planning Board

Attachments

FY08 SAVINGS PLAN ANALYSIS

FY08 Budget Vs. 2% Savings Plan

	FY08 Approved <small>(per Council Resolution 16-164)</small>	2% Estimated Savings in FY08	Recommend Total \$	Recommend Revenue	Savings as a per cent of Original FY08 Budget
Tax Supported					
General Fund					
Board of Appeals	587,010	11,740	-\$11,740	-	-2.0%
Board of Elections	5,771,010	115,420	-\$36,000	-	-0.6%
Circuit Court	10,288,300	205,770	-\$205,770	-	-2.0%
Commission for Women	1,285,680	25,710	-\$25,710	-	-2.0%
Consumer Protection	2,712,720	54,250	-\$56,450	-	-2.1%
Correction and Rehabilitation	63,301,520	1,266,030	-\$583,100	682,930	-0.9%
County Attorney	5,419,260	108,390	-\$108,390	-	-2.0%
County Council	8,895,420	177,910	-\$186,800	-	-2.1%
County Executive	5,012,790	100,260	-\$150,380	-	-3.0%
Economic Development	8,273,360	165,470	-\$165,470	-	-2.0%
Environmental Protection	4,765,030	95,300	-\$95,300	-	-2.0%
Ethics Commission	236,410	4,730	-\$4,730	-	-2.0%
Finance	11,456,170	229,120	-\$229,120	-	-2.0%
Health and Human Services	224,829,230	4,451,585	-\$4,546,180	(103,490)	-2.0%
Homeland Security	6,010,580	120,210	-\$120,210	-	-2.0%
Housing and Community Affairs	5,707,640	114,150	-\$137,580	-	-2.4%
Human Resources	9,263,910	185,280	-\$185,280	-	-2.0%
Human Rights	2,480,170	49,600	-\$49,600	-	-2.0%
Inspector General	667,480	13,350	-\$13,400	-	-2.0%
Intergovernmental Relations	853,880	17,080	-\$17,080	-	-2.0%
Legislative Oversight	1,289,590	25,790	-\$25,790	-	-2.0%
Management and Budget	3,967,890	79,360	-\$179,360	-	-4.5%
Merit System Protection Board	147,890	2,960	\$0	-	0.0%
NDA Compensation Adjustments	3,196,870	63,940	-\$1,075,200	-	-33.6%
NDA Desktop Computer Modernization	6,326,130	126,520	-\$726,520	-	-11.5%
NDA Housing Opportunities Commission	5,731,290	114,630	-\$114,630	-	-2.0%
NDA ITPCC	30,000	600	-\$25,000	-	-83.3%
NDA Leases	15,315,780	306,320	-\$350,000	-	-2.3%
People's Counsel	239,130	4,780	\$0	-	0.0%
Police	219,185,250	4,383,710	-\$1,996,210	80,000	-0.9%
Procurement	3,077,500	61,550	-\$64,350	-	-2.1%
Public Information	1,360,020	27,200	-\$27,200	-	-2.0%
Public Libraries			-\$906,350	-	-2.2%
Administration, Outreach, and Support	3,374,810	67,500			
Library Services to the Public	28,188,870	563,780			
Collection Management	8,753,380	175,070			
Public Works and Transportation	70,096,190	1,401,920	-\$1,401,920	-	-2.0%
Regional Services Centers	4,250,130	85,000	-\$85,000	-	-2.0%
Sheriff	19,054,970	381,100	-\$146,000	250,000	-0.8%
State's Attorney	11,818,470	236,370	-\$86,370	150,000	-0.7%
Technology Services	32,618,060	652,360	-\$652,360	-	-2.0%
Utilities	24,410,750	488,220		-	0.0%
Zoning and Administrative Hearings	520,580	10,410	-\$10,410	-	-2.0%
General Fund Total	840,771,120	16,770,445	(14,800,960)	1,059,440	-1.8%
Special Funds					
Bethesda Urban District					
Urban Districts	2,584,700	51,690	\$0	-	0.0%
Silver Spring Urban District					

FY08 SAVINGS PLAN ANALYSIS

FY08 Budget Vs. 2% Savings Plan

	FY08 Approved (per Council Resolution 16-164)	2% Estimated Savings in FY08	Recommend Total \$	Recommend Revenue	Savings as a per cent of Original FY08 Budget
Urban Districts	2,803,140	56,060	-\$56,060		-2.0%
<u>Wheaton Urban District</u>					
Urban Districts	1,576,800	31,540	-\$31,540		-2.0%
<u>Mass Transit</u>					
Transit Services	109,277,580	2,185,550	-\$2,001,230	358,810	-1.8%
<u>Fire</u>					
Fire and Rescue Service	188,813,850	3,776,280	-\$3,777,500		-2.0%
<u>Recreation</u>					
Recreation	31,054,970	621,100	-\$621,900		-2.0%
<u>Economic Development Fund</u>					
Economic Development Fund	802,440	16,050	\$0		0.0%
Special Funds Total	336,913,480	6,738,270	(6,488,230)	358,810	-1.9%

Non-Tax Supported

<u>Motor Pool Internal Service Fund</u>					
Fleet Management Services	59,725,510	1,194,510	-\$1,201,000		-2.0%
<u>Printing and Mail Internal Service Fund</u>					
Public Works and Transportation	5,812,450	116,250	-\$116,250		-2.0%
<u>Liquor Control</u>					
Liquor Control	38,945,620	778,910	-\$1,028,910		-2.6%
TAX SUPPORTED TOTAL	1,177,684,600	23,508,715	(23,635,350)	1,418,250	-2.0%

FY08 Savings Plan

Tax Supported

Ref No.	Title	Total \$	Revenue
Board of Appeals			
<u>Decrease Cost</u>			
S1	Reduce operating funds	-11,740	0
		-11,740	0
	Board of Appeals	-11,740	0
Board of Elections			
<u>Decrease Cost</u>			
S1	Delay Information Technology Technician I	-36,000	0
		-36,000	0
	Board of Elections	-36,000	0
Circuit Court			
<u>Decrease Cost</u>			
S1	Delay/defer hiring staff replacement(s).	-205,770	0
		-205,770	0
	Circuit Court	-205,770	0
Commission for Women			
<u>Decrease Cost</u>			
S1	Delay Hiring Vacant Position	-25,710	0
		-25,710	0
	Commission for Women	-25,710	0
Consumer Protection			
<u>Decrease Cost</u>			
S1	Under-filled Investigator III position at Public Admin Intern Level in 2nd quarter of FY08.	-28,100	0
S2	Filled Sr. EAA position in 2nd quarter of FY08.	-28,350	0
		-56,450	0
	Consumer Protection	-56,450	0
Correction and Rehabilitation			
<u>Decrease Cost</u>			
S21	Increase lapse for vacant positions	-165,690	0
S22	Miscellaneous Operating Expenses	-57,020	0
		-222,710	0
<u>Enhance</u>			
S11	Increase Feds - Pre-Release and Re-Entry Services (PRRS)	0	106,220
S12	Increase participants to generate additional revenue - ACS	0	110,000
S13	Increase participants to generate additional revenue - IPSA	0	60,000
S15	Additional SCAAP revenue	0	233,910
S16	Additional inmate telephone revenue - MCCF	0	172,800
		0	682,930
<u>Reduce</u>			
S1	Lapse 2 Unit Managers in Pre-Release and Re-Entry Services Division	-104,180	0
S9	Lapse Records Manager - MCDC	-36,710	0
		-140,890	0
<u>Shift</u>			
S8	Transfer full cost of Volunteer Coordinator to Inmate Canteen Profits Account - MCCF	-119,500	0
S14	Transfer cost to Child Nutrition Program - MCCF	-100,000	0
		-219,500	0

Ref No.	Title	Total \$	Revenue
Correction and Rehabilitation		-583,100	682,930
County Attorney			
<u>Decrease Cost</u>			
S2	Increase Lapse	-108,390	0
		-108,390	0
County Attorney		-108,390	0
County Council			
<u>Decrease Cost</u>			
S1	Increase Lapse	-85,000	0
S2	Operating Budget	-101,800	0
		-186,800	0
County Council		-186,800	0
County Executive			
<u>Decrease Cost</u>			
S1	Lapse Special Assistant to the County Executive and other miscellaneous savings	-150,380	0
		-150,380	0
County Executive		-150,380	0
Economic Development			
<u>Decrease Cost</u>			
S1	Increase lapse for vacant positions	-165,470	0
		-165,470	0
Economic Development		-165,470	0
Environmental Protection			
<u>Decrease Cost</u>			
S3	Increase lapse for vacant positions and turnover savings	-95,300	0
		-95,300	0
Environmental Protection		-95,300	0
Ethics Commission			
<u>Decrease Cost</u>			
S6	Miscellaneous operating expenditures	-4,730	0
		-4,730	0
Ethics Commission		-4,730	0
Finance			
<u>Decrease Cost</u>			
S1	Personnel Cost Savings - key position turnover and delays in hiring	-229,120	0
		-229,120	0
Finance		-229,120	0
Fire and Rescue Service			
<u>Decrease Cost</u>			
S1	Lapses for vacant non-uniform positions	-320,000	0
S2	Liquidate encumbrance for uniforms	-150,000	0
S3	Archiving costs in volunteer services	-67,500	0
S4	Code enforcement equipment	-50,000	0
S5	Overtime for Homeland Security, Honor Guard and PIO	-72,000	0
S6	Overtime in field operations by reassigning EMT captain from training academy	-84,000	0
S7	Overtime in field operations by reassigning a lieutenant from the recruiting section	-71,000	0
S8	Overtime by conducting a portion of annual physical on regular shift	-150,000	0

Ref No.	Title	Total \$	Revenue
Fire and Rescue Service			
S9	Peer fitness trainer (PFT) assessment staffing	-90,000	0
S12	Fire station maintenance	-100,000	0
S13	Cancel several PSTA classes	-190,000	0
		-1,344,500	0
<u>Reduce</u>			
S10	Conduct recertifications for special operations personnel while on duty	-120,000	0
S11	Delay implementation of Silver Spring flex unit for six months	-178,000	0
S14	EMS overtime by transferring EMS resources from Glen Echo and Laytonsville to Gaithersburg and Kensington	-400,000	0
S15	Destaff Germantown rescue squad and increase rescue truck staffing by one	-740,000	0
S16	Take Hillandale truck 712 out of service	-995,000	0
		-2,433,000	0
	Fire and Rescue Service	-3,777,500	0
Health and Human Services			
<u>Decrease Cost</u>			
S1	IT - Avatar System	-24,700	0
S7	A&D-Program Transportation based on improved invoice detail and monitoring	-350,000	0
S12	Montgomery Cares based on historical and projected FY08 spending for medications and reducing start up funds for medical services (Also See Review Item S33)	-500,000	0
S13	PH-Care for Kids	-250,000	0
S15	PH-Dental Program	-170,000	0
S17	PH-Environmental Health Regulatory Services	-70,000	0
S20	BH-Pharmacy Services	-25,000	0
S27	A&D-Public Service Intern Program	-50,000	0
S28	Miscellaneous Operating Expenses and Contractual Savings	-835,930	-8,900
S29	Delay Implementation of New FY08 Initiatives	-574,950	0
S30	Based on Historical Spending	-520,000	0
S31	Increase lapse for vacant positions	-630,600	-94,590
		-4,001,180	-103,490
<u>Reduce</u>			
S24	SNH-Supportive Housing Rental Assistance Program (SHRAP) & Partnership for Permanent Housing (PPHII)Subsidies	-265,000	0
S32	Home Care Services	-30,000	0
S33	Montgomery Cares - Facility Expansion Funds (also see Review Item S12)	-200,000	0
S34	Treatment Slots Available at Avery Road Combined Care	-50,000	0
		-545,000	0
	Health and Human Services	-4,546,180	-103,490
Homeland Security			
<u>Decrease Cost</u>			
S10	Increase lapse for vacant positions	-120,210	0
		-120,210	0
	Homeland Security	-120,210	0
Housing and Community Affairs			
<u>Decrease Cost</u>			
S1	Increase lapse for vacant positions	-137,580	0
		-137,580	0
	Housing and Community Affairs	-137,580	0
Human Resources			
<u>Decrease Cost</u>			
S4	Increase lapse for vacant positions	-185,280	0
		-185,280	0

Ref No.	Title	Total \$	Revenue
	Human Resources	-185,280	0
	Human Rights		
	<u>Decrease Cost</u>		
S1	Projected turnover savings due to director's retirement	-49,600	0
		-49,600	0
	Human Rights	-49,600	0
	Inspector General		
	<u>Reduce</u>		
S1	Delay hiring new staff	-12,400	0
S2	Reduce cost of training	-1,000	0
		-13,400	0
	Inspector General	-13,400	0
	Intergovernmental Relations		
	<u>Decrease Cost</u>		
S1	Health and Human Services Legislative Analyst	-17,080	0
		-17,080	0
	Intergovernmental Relations	-17,080	0
	Legislative Oversight		
	<u>Decrease Cost</u>		
S1	Fill vacant position at lower than budgeted amount.	-10,000	0
S2	Reduce operating expenses for training, printing, and professional services	-15,790	0
		-25,790	0
	Legislative Oversight	-25,790	0
	Management and Budget		
	<u>Decrease Cost</u>		
S1	Lapse Vacant Senior Budget Analyst Positions (2)	-179,360	0
		-179,360	0
	Management and Budget	-179,360	0
	NDA - Compensation Adjustment		
	<u>Decrease Cost</u>		
S1	Miscellaneous Pay for Performance Adjustments	-1,075,200	0
		-1,075,200	0
	NDA - Compensation Adjustment	-1,075,200	0
	NDA - Desktop Modernization		
	<u>Decrease Cost</u>		
S1	Reduce amount for PC replacements	-726,520	0
		-726,520	0
	NDA - Desktop Modernization	-726,520	0
	NDA - Housing Opportunities Commission		
	<u>Decrease Cost</u>		
S1	Miscellaneous operating expenses	-114,630	0
		-114,630	0
	NDA - Housing Opportunities Commission	-114,630	0
	NDA - ITPCC		
	<u>Decrease Cost</u>		
S1	Savings based on historical actuals	-25,000	0
		-25,000	0

Ref No	Title	Total \$	Revenue
NDA - ITPCC		-25,000	0
NDA - Leases			
<u>Decrease Cost</u>			
S1	Re-Align Expenditures Based on Historical Actuals	-350,000	0
		-350,000	0
NDA - Leases		-350,000	0
Police			
<u>Add</u>			
S19	Increase towing/storage fees	0	80,000
		0	80,000
<u>Decrease Cost</u>			
S18	Information Technology reductions	-50,000	0
S20	Increase Lapse for Vacant Positions: Program Specialist, Code Enforcement Inspector, 3 Crossing Guards, Office Services Coordinator, Fiscal Assistant, and 2 Principal Administrative Aide.	-425,700	0
S21	Miscellaneous Operating Expenses	-425,080	0
		-900,780	0
<u>Reduce</u>			
S12	Overtime Department-wide by 5%	-503,350	0
S13	Size of the January 2008 police officer recruit class by 12 to 35 recruits	-367,720	0
S22	Lapse the following vacant positions for the balance of FY08: 2 Office Service Coordinators in Information Analysis and Support; Supply Technician; and a Program Specialist	-224,360	0
		-1,095,430	0
Police		-1,996,210	80,000
Procurement			
<u>Decrease Cost</u>			
S3	Increase lapse for vacant positions	-64,350	0
		-64,350	0
Procurement		-64,350	0
Public Information			
<u>Decrease Cost</u>			
S1	Personnel costs	-16,200	0
		-16,200	0
<u>Reduce</u>			
S2	Translation services	-11,000	0
		-11,000	0
Public Information		-27,200	0
Public Libraries			
<u>Decrease Cost</u>			
S1	Personnel Costs - Turnover Savings with No Service Impact	-906,350	0
		-906,350	0
Public Libraries		-906,350	0

Public Works & TransportationDecrease Cost

S1	Service/maintenance on leased properties	-14,000	0
S5	Contribution to COG for Potomac Trash Free Treaty	-25,000	0
		-39,000	0

Reduce

S2	Manage vacant positions to meet reduction target	-661,100	0
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Ref No	Title	Total \$	Revenue
Public Works & Transportation			
S3	Service/Infrastructure Maintenance	-451,820	0
S4	Programs for remainder of FY08 (Bikeway Maintenance, Raised Pavement Markings, Unique Crosswalk Treatments)	-250,000	0
		-1,362,920	0
Public Works & Transportation		-1,401,920	0

PWT-Transit ServicesAdd

S1	Bus Advertising Revenue	0	50,000
S2	TMD Revenue	0	325,000
S3	Implement Fare Increase as of January 1, 2008	0	206,000
		0	581,000

Decrease Cost

S8	Ride On Coordinator Overtime	-50,000	0
S16	Miscellaneous Operating Expenditures	-89,500	0
S17	Increase Lapse for Vacant Positions	-184,270	0
		-323,770	0

Reduce

S11	Traffic Counts in TMD's by 50%	-20,000	0
S13	Stop Kids Ride Free effective April 1, 2008	-25,000	25,000
S14	Freeze Call 'N Ride Program effective April 1, 2008	-1,051,000	-189,200
S15	Ride On Service effective May 4, 2008	-581,460	-57,990
		-1,677,460	-222,190
PWT-Transit Services		-2,001,230	358,810

RecreationDecrease Cost

S1	Other non-professional services in the Office of the Director	-100,000	0
S2	Reduce the FY 07 contract with the YMCA for the Einstein Sports Academy	-149,000	0
S12	Decrease operating expenses of the Senior Outdoor Recreation Program (SOAR) for the remainder of FY 08.	-28,960	0
S20	Operating expenses at the Potomac Community Center	-4,050	0
S21	Lapse of career position at the Leland Community Center	-16,580	0
S25	Teen Teams	-170,000	0
S26	Miscellaneous Personnel and Operating Costs Associated with the Recreation's Regional Centers	-35,200	0
S28	Miscellaneous operating expenses for senior programs	-18,110	0
		-521,900	0

Reduce

S7	Operating expenses for PLAR	-100,000	0
		-100,000	0
Recreation		-621,900	0

Regional Services CentersReduce

S6	Emerging Community Initiatives at all five regional services centers	-85,000	0
		-85,000	0
Regional Services Centers		-85,000	0

SheriffAdd

S4	Change in Sheriff fee law will increase revenues by at least \$250,000. New law went into effect 10/1/2007	0	250,000
		0	250,000

Decrease Cost

Ref No.	Title	Total \$	Revenue
Sheriff			
S1	X-ray machine lease purchase	-26,000	0
S2	Increase lapse-civilian	-60,000	0
S3	Increase Sworn Lapse	-60,000	0
		-146,000	0
	Sheriff	-146,000	250,000
State's Attorney			
<u>Add</u>			
S3	FY08 Payment to SAO for Services	0	150,000
		0	150,000
<u>Decrease Cost</u>			
S8	Miscellaneous Personnel Cost Savings	-68,370	0
S9	Miscellaneous operating expenses	-18,000	0
		-86,370	0
	State's Attorney	-86,370	150,000
Technology Services			
<u>Decrease Cost</u>			
S1	Departmental lapse savings by delaying hiring of 6 open positions until July 2008	-184,260	0
S6	Software maintenance savings from replacing Rational software with Open Source software	-36,000	0
S7	Contractor staffing support reduction of 2,000 hours (avg. \$80 per hour)	-160,000	0
S10	Miscellaneous computer maintenance and contract support	-77,100	0
		-457,360	0
<u>Shift</u>			
S2	Columbia Telecommunications Corporation contract cost to Cable Fund	-195,000	0
		-195,000	0
	Technology Services	-652,360	0
Urban Districts			
Urban District - Silver Spring			
<u>Decrease Cost</u>			
S4	Increase lapse for vacant positions	-56,060	0
		-56,060	0
Urban District - Wheaton			
<u>Decrease Cost</u>			
S1	Lapse for Public Relations Manager	-31,540	0
		-31,540	0
	Urban Districts	-87,600	0
Zoning & Administrative Hearings			
<u>Decrease Cost</u>			
S1	Decrease cost of a portion of Legal/Attorney Services	-5,500	0
S2	Non-Metropolitan Area Travel	-4,000	0
S3	General and other office supplies	-910	0
		-10,410	0
	Zoning & Administrative Hearings	-10,410	0
Tax Supported		-21,289,190	1,418,250
FY08 Net Savings		-22,707,440	
(Total Exp. Savings & Revenue Changes)			

Ref No.	Title	Total \$	Revenue
Liquor Control			
<u>Decrease Cost</u>			
S6	Miscellaneous operating and capital expenses	-1,028,910	0
		-1,028,910	0
	Liquor Control	-1,028,910	0
	Non-Tax Supported	-1,028,910	0
	FY08 Net Savings	-1,028,910	
	(Total Exp. Savings & Revenue Changes)		

Ref No.	Title	Total \$	Revenue
Public Works & Transportation			
Printing & Mail			
<u>Reduce</u>			
S1	Overtime	-116,250	0
		-116,250	0
	Public Works & Transportation	-116,250	0
PWT-Fleet Management Services			
Motor Pool			
<u>Decrease Cost</u>			
S1	Frequency of required preventive maintenance intervals for both administrative and public safety vehicles	-210,000	0
S2	Vendor pre-season air conditioning inspections on large transit bus fleet	-95,000	0
S3	Various transit shop practices	-21,000	0
S4	Compressed Natural Gas Contract	-175,000	0
S5	Replacement expenditures on heavy equipment by deferring select equipment replacement	-165,000	0
		-666,000	0
<u>Eliminate</u>			
S6	Under-utilized vehicle replacements	-535,000	0
		-535,000	0
	PWT-Fleet Management Services	-1,201,000	0
Internal Service Funds		-1,317,250	0
FY08 Net Savings		-1,317,250	
(Total Exp. Savings & Revenue Changes)			

FY08 SAVINGS PLAN

Description/Justification

Tax Supported

Ref No.	Title	\$	Revenue
General Fund			
Board of Appeals			
S1	DECREASE COST: REDUCE OPERATING FUNDS	-11,740	0
	Costs are incurred on a case by case basis. Signs, mailing and duplicating costs, and transcript costs are not fully predictable. The Board had a surplus in operating funds at the end of FY07 of \$12,764, which is the basis for this recommended cut.		
	Board of Appeals Total:	-11,740	0
Board of Elections			
S1	DECREASE COST: DELAY INFORMATION TECHNOLOGY TECHNICIAN I	-36,000	0
	The Board of Elections has been unable to fill this position. With the Primary Election fast approaching, it has been decided to defer filling the position. The Board of Elections will continue with the use of temporary employees to perform these functions and will move forward to fill the position in FY09.		
	Board of Elections Total:	-36,000	0
Circuit Court			
S1	DECREASE COST: DELAY/DEFER HIRING STAFF REPLACEMENT(S).	-205,770	0
	The Circuit Court has a couple of vacancies that will be left open until the end of this fiscal year; however, this would impact the case time standards for court cases. The Circuit Court has experienced an unusual turnover of court personnel. Staff departures result in position(s) being vacant during the advertising, interviewing and hiring process.		
	Circuit Court Total:	-205,770	0
Commission for Women			
S1	DECREASE COST: DELAY HIRING VACANT POSITION	-25,710	0
	The Volunteer Coordinator/Intake Supervisor (Social Worker II) position in the Counseling and Career Center has been vacant since October 2007; however the incumbent was mostly on leave without pay from July 1, so the position has essentially been vacant for the first 6 months of the year. The department's planned salary lapse for FY08 is \$6,056. The department anticipates filling the position effective January 1, 2008 and has already generated sufficient lapse to cover the 2 % savings requirement, in addition to the planned lapse.		
	Commission for Women Total:	-25,710	0
Consumer Protection			
S1	DECREASE COST: UNDER-FILLED INVESTIGATOR III POSITION AT PUBLIC ADMIN INTERN LEVEL IN 2ND QUARTER OF FY08.	-28,100	0
	This Investigator III position was filled to decrease the response time for the handling of consumer complaints and to plan and deliver consumer education initiatives to Spanish and English speaking communities. On 10/29/2007 the Investigator III position was underfilled by a Public Administration Intern.		
S2	DECREASE COST: FILLED SR. EAA POSITION IN 2ND QUARTER OF FY08.	-28,350	0
	In 8/2007, a vacant PAA position was abolished and a Sr. EAA position was created to provide the OCP Director with a higher level of administrative support. The Sr. EAA position was filled on 11/11/2007.		
	Consumer Protection Total:	-56,450	0
Correction and Rehabilitation			
S1	REDUCE: LAPSE 2 UNIT MANAGERS IN PRE-RELEASE AND RE-ENTRY SERVICES DIVISION	-104,180	0
	This is the first of two Unit Managers from PRRS who is retiring in FY08. PRRS will reduce costs by lapsing this position until the end of the fiscal year. Other staff at PRRS will assume responsibilities of the vacated position. PRRS will reduce some programming and services.		
S8	SHIFT: TRANSFER FULL COST OF VOLUNTEER COORDINATOR TO INMATE CANTEN PROFITS ACCOUNT - MCCF	-119,500	0
	Shift entire cost for Volunteer Coordinator to Inmate Canteen Profits Account with no service impact.		
S9	REDUCE: LAPSE RECORDS MANAGER - MCDC	-36,710	0
	Lapse Records Manager for 9 pay periods. Responsibilities will be assumed by other staff.		

Ref No.	Title	\$	Revenue
Correction and Rehabilitation			
S11	ENHANCE: INCREASE FEDS - PRE-RELEASE AND RE-ENTRY SERVICES (PRRS)	0	106,220
	PRRS will generate additional revenues by increasing the projected ADP of federal inmates by five(5). PRRS entered in a new agreement with the Federal Bureau of Prisons in April of 2007 that increased the per diem contract rate from \$75/day to \$113.47/day and provided an estimate of maintaining an ADP of 20. FBOP has indicated its willingness to place additional inmates in the program. PRRS will increase the count of its home confinement service to free up more beds for the additional five FBOP inmates beginning 1/1/08		
S12	ENHANCE: INCREASE PARTICIPANTS TO GENERATE ADDITIONAL REVENUE - ACS	0	110,000
	ACS is a revenue generating program. For FY08, ACS was budgeted for \$240,000. YTD actuals indicate a projection of \$350,000 in revenues for FY08. Higher revenues are a result of increased referrals of participants to the program, as well as a higher percentage of fee collections by caseworkers		
S13	ENHANCE: INCREASE PARTICIPANTS TO GENERATE ADDITIONAL REVENUE - IPSA	0	60,000
	IPSA is a revenue generating program. For FY08, IPSA was budgeted for \$190,000. YTD actuals indicate a projection of \$250,000 in revenues for FY08. Higher revenues are a result of increased referrals of participants to the program, as well as a higher percentage of fee collections by caseworkers		
S14	SHIFT: TRANSFER COST TO CHILD NUTRITION PROGRAM - MCCF	-100,000	0
	MCCF enrolled in the Federal Child Nutrition Reimbursement Program in FY06. The program allows for the reimbursement of appropriately recognized nutritional supplements for individuals who have not yet reached their 21st birthday. MCCF is on track to receive \$125,000 in FY08. Due to federal guidelines this money must be utilized for certain items and cannot be considered a revenue, but reimbursement for actual monies spent		
S15	ENHANCE: ADDITIONAL SCAAP REVENUE	0	233,910
	DOCR received additional SCAAP revenue in FY08.		
S16	ENHANCE: ADDITIONAL INMATE TELEPHONE REVENUE - MCCF	0	172,800
	DOCR continues to receive additional inmate telephone revenues until the new contract is executed. There is no budget in FY08.		
S21	DECREASE COST: INCREASE LAPSE FOR VACANT POSITIONS	-165,690	0
	Increased lapse assumption based on current and expected vacancies. DOCR will lapse the following positions: 2 Managers in Pre-Release and Re-Entry services; 5 Correctional Officer positions in MCCF; 1 Records Manager in MCDC; and 1 Office Service Coordinator in MCDC.		
S22	DECREASE COST: MISCELLANEOUS OPERATING EXPENSES	-57,020	0
	Miscellaneous operating expenses will be decreased without a service impact		
Correction and Rehabilitation Total:		-583,100	682,930
County Attorney			
S2	DECREASE COST: INCREASE LAPSE	-108,390	0
	Increase lapse assumption based on current and expected vacancies.		
County Attorney Total:		-108,390	0
County Council			
S1	DECREASE COST: INCREASE LAPSE	-85,000	0
S2	DECREASE COST: OPERATING BUDGET	-101,800	0
County Council Total:		-186,800	0
County Executive			
S1	DECREASE COST: LAPSE SPECIAL ASSISTANT TO THE COUNTY EXECUTIVE AND OTHER MISCELLANEOUS SAVINGS	-150,380	0
	Delaying the hiring of one Special Assistant to the County Executive will require the three existing Special Assistants to absorb the workload of the vacant position. Additional miscellaneous savings are identified.		
County Executive Total:		-150,380	0

Ref No.	Title	\$	Revenue
Economic Development			
S1	DECREASE COST: INCREASE LAPSE FOR VACANT POSITIONS Increase lapse assumption based on current and expected vacancies.	-165,470	0
Economic Development Total:		-165,470	0
Environmental Protection			
S3	DECREASE COST: INCREASE LAPSE FOR VACANT POSITIONS AND TURNOVER SAVINGS. Increase lapse assumption based on current and expected vacancies, plus turnover savings associated with senior staff departure.	-95,300	0
Environmental Protection Total:		-95,300	0
Ethics Commission			
S6	DECREASE COST: MISCELLANEOUS OPERATING EXPENDITURES Miscellaneous operating expenses will be deferred without an anticipated service impact	-4,730	0
Ethics Commission Total:		-4,730	0
Finance			
S1	DECREASE COST: PERSONNEL COST SAVINGS - KEY POSITION TURNOVER AND DELAYS IN HIRING FY08 Personnel Costs savings are the result of an unusually high number of "crucial position" vacancies due to: (1) the change in top level County Government Administration as a result of the general election, and (2) the start-up of the new ERP Project and subsequent promotion/transfer of key Departmental staff to the new Project thus creating internal vacancies Recruiting qualified applicants has proved to be a challenge, which has added to the delay in hiring. Several high level position vacancies have had to be re-advertised due to the lack of required qualifications / specifications from candidates: Controller and Payroll Manager.	-229,120	0
Finance Total:		-229,120	0
Health and Human Services			
S1	DECREASE COST: IT - AVATAR SYSTEM The savings will be achieved by delaying the "hardening" (adding back up servers, memory expansion, and storage capacity) to the technology infrastructure for Avatar. The reduction will leave the Avatar System with less resiliency until FY09.	-24,700	0
S7	DECREASE COST: A&D-PROGRAM TRANSPORTATION BASED ON IMPROVED INVOICE DETAIL AND MONITORING This savings is the outcome of revised charges based upon actual use of the overall Ride-On service and improved invoice detail and monitoring yielded more accurate, consistent and predictable billing resulting in a significantly reduced cost to DHHS. This money will not be spent in FY08 and will not adversely affect contracted services. This is consistent with the FY09 within the MARC request (T8) to redirect these savings to other deficits within Aging and Disability Services.	-350,000	0
S12	DECREASE COST: MONTGOMERY CARES BASED ON HISTORICAL AND PROJECTED FY08 SPENDING FOR MEDICATIONS AND REDUCING START UP FUNDS FOR MEDICAL SERVICES (ALSO SEE REVIEW ITEM S33) This savings will be achieved by reducing funds for medications(\$400,000) and reducing start-up funds for medical services component for new clinics(\$100,000). This reduction to medications is based on historical and projected FY08 spending. There will be no service impact. The reduction to the start-up funds for the medical services component for new clinics will not impact services because of the delay in opening two new clinics in FY08. (Also see item S33)	-500,000	0
S13	DECREASE COST: PH-CARE FOR KIDS This savings will be achieved by reducing funds for the new obesity prevention program, delaying the printing of brochures, and holding enrollment to current levels. The number of slots will not be expanded and new program components will not be initiated.	-250,000	0

Ref No.	Title	\$	Revenue
Health and Human Services			
S15	DECREASE COST: PH-DENTAL PROGRAM	-170,000	0
	The Department submitted a FY08 mid year request to create four merit positions. The funding for these positions is currently loaded in operating. The program anticipates savings of up to \$170,000 due to a delay in the approval for this proposal.		
	The dental clinics at the Metro Court location will not be fully operational until these positions are filled.		
S17	DECREASE COST: PH-ENVIRONMENTAL HEALTH REGULATORY SERVICES	-70,000	0
	This savings will be achieved by delaying the hiring of two Environmental Health Specialist III positions(#16088, 16089) for Trans Fat enforcement until June 2007.		
	This delay will have a minor effect on phase I enforcement and implementation of new County trans fat regulations. At this time, the regulation only covers use of grease for frying and spreads so Licensure & Regulatory Services can use existing staff to regulate on a temporary basis. June 2007 hiring is essential to prepare for phase II of the regulation.		
S20	DECREASE COST: BH-PHARMACY SERVICES	-25,000	0
	This savings will be achieved by reducing funds for purchasing drugs and medicine.		
	This will result in providing drug samples to clients instead of direct pharmacy services.		
S24	REDUCE: SNH-SUPPORTIVE HOUSING RENTAL ASISTANCE PROGRAM (SHRAP) & PARTNERSHIP FOR PERMANENT HOUSING (PPHII) SUBSIDIES	-265,000	0
	This savings will be achieved by reducing the SHRAP and PPHII subsidies.		
	The SHRAP program is budgeted to serve 75 households in FY08. Because all 75 households were not housed on July 1, a savings of \$100,000 is projected. As of December 1, 2007, 60 slots are committed, 50 are housed and the remaining 10 are searching for housing. The department will cap the number of households housed at 60. The SHRAP portion of the savings plan is \$265,000.		
	The estimated \$50,000 savings from PPH2 will not have an impact on the number of households served. Currently the program is fully subscribed. The savings is a result of over estimated rent costs.		
S27	DECREASE COST: A&D-PUBLIC SERVICE INTERN PROGRAM	-50,000	0
	This savings will be achieved due to an unexpectedly slow start-up for the Public Service Intern Program.		
	The Public Service Intern Program experienced initial difficulties in finding suitable applicants and placements. Therefore, the number of interns enrolled in the program in FY08 will be fewer than planned and will result in unexpended personnel dollars. FY08 Base budget = 100,000.		
S28	DECREASE COST: MISCELLANEOUS OPERATING EXPENSES AND CONTRACTUAL SAVINGS	-835,930	-8,900
S29	DECREASE COST: DELAY IMPLEMENTATION OF NEW FY08 INITIATIVES	-574,950	0
	These savings have been achieved by delaying the implementation of various new FY08 initiatives until FY09. This includes the community-based Pre-K services, an occupational health initiative, and the 24/7 operation of the Mobile Crisis Team.		
S30	DECREASE COST: BASED ON HISTORICAL SPENDING	-520,000	0
S31	DECREASE COST: INCREASE LAPSE FOR VACANT POSITIONS	-630,600	-94,590
	Increase lapse assumption based on current and expected vacancies.		
S32	REDUCE: HOME CARE SERVICES	-30,000	0
	Home Care will serve six fewer clients from the waiting list in FY08.		
S33	REDUCE: MONTGOMERY CARES - FACILITY EXPANSION FUNDS (ALSO SEE REVIEW ITEM S12)	-200,000	0
	Montgomery Cares can provide \$200,000 in savings in FY08 from its facility line item. This is in addition to the \$500,000 in savings identified in S12. The department anticipates that giving up these funds in FY08 will delay the opening of a planned additional clinic in Silver Spring by approximately one fiscal quarter (will now be scheduled to open January 2009).		
S34	REDUCE: TREATMENT SLOTS AVAILABLE AT AVERY ROAD COMBINED CARE	-50,000	0
	The number of intensive outpatient treatment slots available at Avery Road Combined Care will be reduced by 5 slots.		
Health and Human Services Total:		-4,546,180	-103,490

Ref No.	Title	\$	Revenue
Homeland Security			
S10	DECREASE COST: INCREASE LAPSE FOR VACANT POSITIONS Increase lapse assumption based on current and expected vacancies.	-120,210	0
Homeland Security Total:		-120,210	0
Housing and Community Affairs			
S1	DECREASE COST: INCREASE LAPSE FOR VACANT POSITIONS Increase lapse assumption based on current and expected vacancies.	-137,580	0
Housing and Community Affairs Total:		-137,580	0
Human Resources			
S4	DECREASE COST: INCREASE LAPSE FOR VACANT POSITIONS Increase lapse assumption based on current and expected vacancies.	-185,280	0
Human Resources Total:		-185,280	0
Human Rights			
S1	DECREASE COST: PROJECTED TURNOVER SAVINGS DUE TO DIRECTOR'S RETIREMENT Increased personnel savings are anticipated due to the director's retirement.	-49,600	0
Human Rights Total:		-49,600	0
Inspector General			
S1	REDUCE: DELAY HIRING NEW STAFF By delaying the hiring date for the Assistant Inspector General position, the workload will need to be distributed among existing staff.	-12,400	0
S2	REDUCE: REDUCE COST OF TRAINING With the FY09 plan to contract professional services for specialized expertise, the OIG will have the ability to reduce the amount of time and monies that our staff would have needed for specialized training.	-1,000	0
Inspector General Total:		-13,400	0
Intergovernmental Relations			
S1	DECREASE COST: HEALTH AND HUMAN SERVICES LEGISLATIVE ANALYST Professional services costs were budgeted in IGR's FY08 budget to cover the costs to IGR for HHS legislative services during the General Assembly Session and related activities during the year. Since the position has been vacant for 6 months, the decrease in cost will not have a service impact for FY08.	-17,080	0
Intergovernmental Relations Total:		-17,080	0
Legislative Oversight			
S1	DECREASE COST: FILL VACANT POSITION AT LOWER THAN BUDGETED AMOUNT.	-10,000	0
S2	DECREASE COST: REDUCE OPERATING EXPENSES FOR TRAINING, PRINTING, AND PROFESSIONAL SERVICES.	-15,790	0
Legislative Oversight Total:		-25,790	0
Management and Budget			
S1	DECREASE COST: LAPSE VACANT SENIOR BUDGET ANALYST POSITIONS (2) Increase lapse assumption based on current and expected vacancies, plus identified turnover savings.	-179,360	0
Management and Budget Total:		-179,360	0
NDA - Compensation Adjustment			
S1	DECREASE COST: MISCELLANEOUS PAY FOR PERFORMANCE ADJUSTMENTS	-1,075,200	0

Ref No.	Title	\$	Revenue
NDA - Compensation Adjustment			
	Departments will absorb non-represented pay-for-performance awards.		
	NDA - Compensation Adjustment Total:	-1,075,200	0
NDA - Desktop Modernization			
S1	DECREASE COST: REDUCE AMOUNT FOR PC REPLACEMENTS	-726,520	0
	670 less PCs replaced unless per unit cost can be lowered. If unit cost can not be lowered, some PCs will not be replaced and will be in excess of 4 years old.		
	NDA - Desktop Modernization Total:	-726,520	0
NDA - Housing Opportunities Commission			
S1	DECREASE COST: MISCELLANEOUS OPERATING EXPENSES	-114,630	0
	Miscellaneous operating expenses.		
	NDA - Housing Opportunities Commission Total:	-114,630	0
NDA - ITPCC			
S1	DECREASE COST: SAVINGS BASED ON HISTORICAL ACTUALS	-25,000	0
	Savings are based on historical actuals. No service impact.		
	NDA - ITPCC Total:	-25,000	0
NDA - Leases			
S1	DECREASE COST: RE-ALIGN EXPENDITURES BASED ON HISTORICAL ACTUALS	-350,000	0
	Re-align expenditures based on historical actuals.		
	NDA - Leases Total:	-350,000	0
Police			
S12	REDUCE: OVERTIME DEPARTMENT-WIDE BY 5%	-503,350	0
	Overtime expenditures for court, investigations, call back/hold over and ECC will be the focus of expenditure for the remainder of the year. Overtime for community events, details and special events will be drastically reduced or eliminated for the balance of the FY.		
S13	REDUCE: SIZE OF THE JANUARY 2008 POLICE OFFICER RECRUIT CLASS BY 12 TO 35 RECRUITS	-367,720	0
	Reduce the class size from 47 to 35.		
S18	DECREASE COST: INFORMATION TECHNOLOGY REDUCTIONS	-50,000	0
	The CD subscriptions Haines crisscross directories used by several work units will be changed to paper copies		
	Support for the limited application of the Telestaff software program will be discontinued		
	Training for IT/support staff will reduce the capability to operate and maintain new systems		
S19	ADD: INCREASE TOWING/STORAGE FEES	0	80,000
	Maryland Vehicle Law 25-206.1b allows Montgomery County to charge the owner the costs of towing, preserving, and storing the vehicle; and for the expenses of sale, including all publication and notice costs. The costs chargeable to an owner for the preservation and storage of a vehicle may not exceed \$300.00. Currently, Montgomery County only charges the maximum storage/preservation fee, and does not charge any towing or postage costs		
	When vehicles are processed by the Police Department, last known owners are sent certified, registered return receipt notices notifying them of their obligations regarding their impounded vehicles. When a liability fee is imposed upon owners, another registered letter is sent notifying the owner of the liability fee, and the sanctions that could be imposed by the MVA		
	At any time during this process, owners may contact the police impound lot and satisfy their obligations. An appeal process is in place, and the impound lot has established payment plans to meet individual owner(s) financial abilities.		
	This increase in liability fees will help repay the true costs that Montgomery County spends in towing, processing, and disposing of the many abandoned, wrecked and junked vehicles left on our roadways		
S20	DECREASE COST: INCREASE LAPSE FOR VACANT POSITIONS: PROGRAM SPECIALIST, CODE ENFORCEMENT INSPECTOR, 3 CROSSING GUARDS, OFFICE SERVICES COORDINATOR, FISCAL ASSISTANT, AND 2 PRINCIPAL ADMINISTRATIVE AIDE.	-425,700	0
	Increase lapse assumption based on current and expected vacancies.		

Ref No.	Title	\$	Revenue
Police			
S21	DECREASE COST: MISCELLANEOUS OPERATING EXPENSES Reduce operating expenses due to one-time savings and other cost saving measures.	-425,080	0
S22	REDUCE: LAPSE THE FOLLOWING VACANT POSITIONS FOR THE BALANCE OF FY08: 2 OFFICE SERVICE COORDINATORS IN INFORMATION ANALYSIS AND SUPPORT; SUPPLY TECHNICIAN; AND A PROGRAM SPECIALIST	-224,360	0
Police Total:		-1,996,210	80,000
Procurement			
S3	DECREASE COST: INCREASE LAPSE FOR VACANT POSITIONS Increase lapse assumption based on current and expected vacancies.	-64,350	0
Procurement Total:		-64,350	0
Public Information			
S1	DECREASE COST: PERSONNEL COSTS The office's personnel costs were budgeted based on last year's salaries and benefits. Current year personnel costs are lower than budgeted.	-16,200	0
S2	REDUCE: TRANSLATION SERVICES Twenty four fewer press releases will be translated into another language.	-11,000	0
Public Information Total:		-27,200	0
Public Libraries			
S1	DECREASE COST: PERSONNEL COSTS - TURNOVER SAVINGS WITH NO SERVICE IMPACT The savings result from a higher than usual number of vacancies, longer-than-budgeted average recruitment time for some positions, and a net personnel savings from the retirement of personnel at top-of-grade and older benefit/retirement packages. Central administration works with branches or units impacted by vacancies to utilize substitute staff, part-time staff willing to work additional hours, and in some cases voluntary re-assignments of staff from other branches to ensure that each branch or unit can continue to deliver services while their positions are being filled.	-906,350	0
Public Libraries Total:		-906,350	0
Public Works & Transportation			
S1	DECREASE COST: SERVICE/MAINTENANCE ON LEASED PROPERTIES The impact of reducing is the inability to perform small maintenance tasks on leased properties	-14,000	0
S2	REDUCE: MANAGE VACANT POSITIONS TO MEET REDUCTION TARGET The Department will manage personnel vacancies to achieve the savings target in FY08. Operations and maintenance activities accomplished by remaining staff will be prioritized to: (1) minimize the increased degradation in the facility and transportation infrastructure; and (2) address the most urgent service delivery requirements of the public. It is anticipated that response times on service requests will be extended and some service requests will be deferred until staffing levels are restored. In many cases, workload for vacant positions will be handled by others as much as possible.	-661,100	0
S3	REDUCE: SERVICE/INFRASTRUCTURE MAINTENANCE FY08 expenditures in the following programs will be reduced: window cleaning (Strathmore Music Center; AFI Theater; Rockville Library; Germantown Library; Fire Station 1; Damascus Recreation Center); exterior painting – all facilities; floor care (shampooing and stripping/waxing) – all facilities; grounds maintenance – all facilities; masonry repairs – all facilities; carpentry repairs – all facilities; reduced use of traffic related materials/supplies; and reduced use of consultant support.	-451,820	0
S4	REDUCE: PROGRAMS FOR REMAINDER OF FY08 (BIKEWAY MAINTENANCE, RAISED PAVEMENT MARKINGS, UNIQUE CROSSWALK TREATMENTS) Expenditures in the following programs will be eliminated for the remainder of FY08: bikeway maintenance; raised pavement markings; and unique crosswalk treatments.	-250,000	0
S5	DECREASE COST: CONTRIBUTION TO COG FOR POTOMAC TRASH FREE TREATY	-25,000	0

Ref No.	Title	\$	Revenue
Public Works & Transportation			
	This is part of a regional agreement made by the County. Planned steps under this component of the Trash Free Potomac Watershed initiative: market research, development of education campaign plan, implementation, evaluation. Next summit will be in June 08. Due to fiscal capacity pressures in FY08, we propose reducing this amount (\$50,000) to (\$25,000).		
	Public Works & Transportation Total:	-1,401,920	0
Regional Services Centers			
S6	REDUCE: EMERGING COMMUNITY INITIATIVES AT ALL FIVE REGIONAL SERVICES CENTERS.	-85,000	0
	This initiative allows the RSCs to provide higher levels of service in communities, which have shown growing levels of residential and commercial activity. The enhanced services include planting, mulching, special community events, and informational materials.		
	Regional Services Centers Total:	-85,000	0
Sheriff			
S1	DECREASE COST: X-RAY MACHINE LEASE PURCHASE	-26,000	0
S2	DECREASE COST: INCREASE LAPSE-CIVILAN	-60,000	0
S3	DECREASE COST: INCREASE SWORN LAPSE	-60,000	0
S4	ADD: CHANGE IN SHERIFF FEE LAW WILL INCREASE REVENUES BY AT LEAST \$250,000. NEW LAW WENT INTO EFFECT 10/1/2007	0	250,000
	FY08 budgeted revenue is \$725,000. The Sheriff's Office anticipates additional revenues of \$250,000.		
	Sheriff Total:	-146,000	250,000
State's Attorney			
S3	ADD: FY08 PAYMENT TO SAO FOR SERVICES	0	150,000
	This FY08 revenue source was for payment for the State's Attorney's Office participation on a multi year investigation with another agency. The resources we devoted to this investigation were solely personnel. Although this payment is credited to the general fund, we believe this revenue should qualify as a credit to the savings plan. Furthermore, we are currently involved in another investigation in which we have submitted a request for payment for the resources we dedicated to the investigation. There is no timeframe or guarantee of payment.		
S8	DECREASE COST: MISCELLANEOUS PERSONNEL COST SAVINGS	-68,370	0
	Miscellaneous personnel costs savings will be realized without a service impact.		
S9	DECREASE COST: MISCELLANEOUS OPERATING EXPENSES	-18,000	0
	Miscellaneous operating expenses will be deferred or eliminated without any service impact.		
	State's Attorney Total:	-86,370	150,000
Technology Services			
S1	DECREASE COST: DEPARTMENTAL LAPSE SAVINGS BY DELAYING HIRING OF 6 OPEN POSITIONS UNTIL JULY 2008	-184,260	0
	Delayed hiring will result in the delay of implementation of project management and security best practices, increasing the risk of project delays and cost overruns, and delaying addressing of security issues and thereby increasing the County's risk of systems compromise, due to staff previously identified resource constraints. A delay in hiring the Mainframe Developer may reduce our ability to support the Payroll system (HRMS). The reduction in HRMS support staff will temporarily reduce our ability to support departmental requests.		
S2	SHIFT: COLUMBIA TELECOMMUNICATIONS CORPORATION CONTRACT COST TO CABLE FUND	-195,000	0

Ref No.	Title	\$	Revenue
Technology Services			
	<p>The current contract with Columbia Telecommunications Corporation (CTC) provides the following services: (1) Telecommunications Engineering Consulting to include Cable Communications, Public, Education, and Government (PEG) engineering support, and Wireless Communications; (2) Cable system construction inspection, and Cable system performance monitoring and testing. The FY08 total CTC contract amount was 705,000 which historically were split between Cable Fund (\$510,000) and General Fund (\$195,000). The 195,000 covers the cost for CTC's work as Tower Coordinator which is "wireless" work. It is appropriate to shift the cost of \$195,000 from DTS General Fund budget to Cable fund because: (1) revenue received for reviewing and coordinating the siting of telecommunications facilities is deposited into the Cable fund; (2) In accordance with Section 2-58E of the County Code, the CIO has designated the Cable Television Administrator as Chair of the Telecommunication Facility Coordinating Group (IFCG), and (3) the Cable Office serves as contract administrator for the CTC contract. The County will gain the benefits of continued contractual service, synchronizing tower associated revenue and expenditures from the same fund, consolidation of administrative oversight of tower activities, and improved contract administrative oversight when the total contract amount is placed at the appropriate organization. If the funding is not centralized in Cable Office, tower associated revenue and expenditures will not be synchronized from the same fund, and administrative oversight of tower activities is not consistently scrutinized. Future Fiscal Impact: this is a permanent funding shift for FY08 and beyond. If approved, the Cable Office will reflect the funding change in its FY08 Cable Plan.</p>		
S6	DECREASE COST: SOFTWARE MAINTENANCE SAVINGS FROM REPLACING RATIONAL SOFTWARE WITH OPEN SOURCE SOFTWARE	-36,000	0
	DTS will experience some initial loss of productivity due to implementing and learning new software DTS is assuming more responsibility for software support internally given open source software		
S7	DECREASE COST: CONTRACTOR STAFFING SUPPORT REDUCTION OF 2,000 HOURS (AVG. \$80 PER HOUR)	-160,000	0
	Reduction in contractor staffing increases risk of critical business systems failures due to staff resource constraints preventing execution of required system monitoring and maintenance. It may also result in project delays due to staff resource constraints which must be focused on system operations and issue responses.		
S10	DECREASE COST: MISCELLANEOUS COMPUTER MAINTENANCE AND CONTRACT SUPPORT	-77,100	0
	Miscellaneous computer maintenance and contract support savings based on historical actuals or deferred support.		
Technology Services Total:		-652,360	0
Zoning & Administrative Hearings			
S1	DECREASE COST: DECREASE COST OF A PORTION OF LEGAL/ATTORNEY SERVICES	-5,500	0
	The services of contract Hearing Examiners has been less than anticipated for the FY08 budget.		
S2	DECREASE COST: NON-METROPOLITAN AREA TRAVEL	-4,000	0
	There is no non-metropolitan travel anticipated in FY08		
S3	DECREASE COST: GENERAL AND OTHER OFFICE SUPPLIES	-910	0
	Conserve on office supplies		
Zoning & Administrative Hearings Total:		-10,410	0
General Fund Total:		-14,800,960	1,059,440
Fire			
Fire and Rescue Service			
S1	DECREASE COST: LAPSES FOR VACANT NON-UNIFORM POSITIONS	-320,000	0
	Lapse for various non-uniform positions that were not filled or will not be filled for a portion of FY08.		
S2	DECREASE COST: LIQUIDATE ENCUMBRANCE FOR UNIFORMS	-150,000	0
	This would reduce the stock of available uniform items		
S3	DECREASE COST: ARCHIVING COSTS IN VOLUNTEER SERVICES	-67,500	0
	Volunteer services had been planning to begin scanning its personnel records in FY08. This effort would be put off until FY09.		
S4	DECREASE COST: CODE ENFORCEMENT EQUIPMENT	-50,000	0
	Delay in purchasing or replacing certain inspector equipment, such as audiometers, tape measures, pressure detectors, etc. Potential to delay inspection time and through put in order to coordinate equipment shortages among inspectors		

Ref No.	Title	\$	Revenue
Fire and Rescue Service			
S5	DECREASE COST: OVERTIME FOR HOMELAND SECURITY, HONOR GUARD AND PIO Honor guard - Honor guard and pipes and drums would appear at fewer events Public Information - there would be less videotaping of complex fires, promotional ceremonies, and other such events Homeland Security - reduce community emergency response team (CERT) resources	-72,000	0
S6	DECREASE COST: OVERTIME IN FIELD OPERATIONS BY REASSIGNING EMT CAPTAIN FROM TRAINING ACADEMY Decrease in coordination of EMT training program at PSTA and reduced instructor capacity.	-84,000	0
S7	DECREASE COST: OVERTIME IN FIELD OPERATIONS BY REASSIGNING A LIEUTENANT FROM THE RECRUITING SECTION Transferring the lieutenant could negatively impact the department's efforts to increase diversity among new recruits	-71,000	0
S8	DECREASE COST: OVERTIME BY CONDUCTING A PORTION OF ANNUAL PHYSICAL ON REGULAR SHIFT This could impact response time because a unit would have to be taken out of service for the personnel to receive their physical	-150,000	0
S9	DECREASE COST: PEER FITNESS TRAINER (PFT) ASSESSMENT STAFFING Peer fitness assessments mandated in the collective bargaining agreement would be delayed (for the most part) until the new fiscal year. This would result in increased demand in FY09.	-90,000	0
S10	REDUCE: CONDUCT RECERTIFICATIONS FOR SPECIAL OPERATIONS PERSONNEL WHILE ON DUTY Conducting special operations recertifications (water rescue, hazmat, NMRT, special events) on duty may necessitate that units be taken out of service. This could result in increased response times.	-120,000	0
S11	REDUCE: DELAY IMPLEMENTATION OF SILVER SPRING FLEX UNIT FOR SIX MONTHS A six-month delay in implementing the Silver Spring flex unit would result in a six-month delay in the reduction of EMS response times in the area.	-178,000	0
S12	DECREASE COST: FIRE STATION MAINTENANCE This would reduce the backlog of maintenance needs that could be addressed in FY08. Fire stations in the county are for the most part very old structures that have not been well-maintained or upgraded.	-100,000	0
S13	DECREASE COST: CANCEL SEVERAL PSTA CLASSES Canceling classes would reduce access to training for volunteer and career personnel as well as delay certification and promotion eligibility for some personnel. It could also lead to overcrowded classes in the future.	-190,000	0
S14	REDUCE: EMS OVERTIME BY TRANSFERRING EMS RESOURCES FROM GLEN ECHO AND LAYTONSVILLE TO GAITHERSBURG AND KENSINGTON This would shift nighttime EMS resources out of Glen Echo and Laytonsville to reduce overtime in other areas. The likely result (depending on volunteer staffing) is increased EMS response times in Glen Echo and Laytonsville.	-400,000	0
S15	REDUCE: DESTAFF GERMANTOWN RESCUE SQUAD AND INCREASE RESCUE TRUCK STAFFING BY ONE Career staffing would be removed from the rescue squad in Germantown (station 729), but one person would be added to the rescue truck. Volunteers could staff the rescue squad if personnel were available. Absent adequate volunteer staffing, there would be an increase in the time it would take for a full complement to arrive on the scene of serious collisions and building fires.	-740,000	0
S16	REDUCE: TAKE HILLANDALE TRUCK 712 OUT OF SERVICE This would increase fire suppression response time in the Hillandale area. In situations where a ladder truck is needed, it would have to be provided by another station.	-995,000	0
Fire Total:		-3,777,500	0

Mass Transit**PWT-Transit Services**

S1	ADD: BUS ADVERTISING REVENUE	0	50,000
The County is about to issue a notice to proceed to begin advertising on and in Ride On buses. This contract includes guaranteed funds beginning February 1, 2008, which are \$200,000 in the first year of the contract. In addition, if net revenues for the vendor exceed the guarantee the County will receive a percentage of those additional revenues. The program is expected to start slow as the vendor begins the effort of selling ad space, etc.			

Ref No.	Title	\$	Revenue
PWT-Transit Services			
S2	ADD: TMD REVENUE	0	325,000
	In FY 07 the County began issuing invoices for TMD fees at the rates established by the County Council. Invoices totaling \$333,750 were sent out and \$214,218 was collected in FY 07.		
S3	ADD: IMPLEMENT FARE INCREASE AS OF JANUARY 1, 2008	0	206,000
	The FY 09 budget submittal assumes a fare increase as of July 1, 2008. Metro appears to have approved an increase in the bus cash fare from \$1.25 to \$1.35 as of January 2008. This proposal assumes the County Council will approve the same increase and will result in additional fare income for Ride On. This proposal is extremely time critical as it requires Council action.		
S8	DECREASE COST: RIDE ON COORDINATOR OVERTIME	-50,000	0
	Road Coordinators and Supervisors earn overtime that is required to monitor and operate Ride On service. Reduction in overtime may slow response time to incidents.		
S11	REDUCE: TRAFFIC COUNTS IN TMD'S BY 50%	-20,000	0
	There is \$40,000 budgeted in FY 08 for traffic counts in Commuter Services. These traffic counts are required in the TMD's, and must be reported, to track the impacts on intersections and the changes over time as one aspect of analyzing the impact of traffic mitigation efforts within these TMD's. This reduction of 50% will lower the number of intersection counts.		
S13	REDUCE: STOP KIDS RIDE FREE EFFECTIVE APRIL 1, 2008	-25,000	25,000
	The Kids Ride Free program from 2-7pm on weekdays is a popular program among those 18 years and younger. The purpose of this program is not only to give these residents the ability for free movement but also to reduce congestion on county roads of parents driving to pick up kids from after-school activities.		
S14	REDUCE: FREEZE CALL 'N RIDE PROGRAM EFFECTIVE APRIL 1, 2008	-1,051,000	-189,200
	This reduction will cease the Call 'N Ride program from 4/1/08 to 6/30/08. During this time no coupons will be sold but those with unexpired coupons will still be able to use them for taxi trips. This program provides critical medical and other trips to those low-income seniors or disabled residents and will have dramatic impacts on their ability to travel. Call 'N Ride has significant changes being implemented as of January 1, 2008. These changes are well underway and include increasing the coupon limit from \$112 to \$120 per month and adding a fourth income subsidy level. This reduction will not stop the proposed changes but will defer the entire program for the last three months of the fiscal year.		
S15	REDUCE: RIDE ON SERVICE EFFECTIVE MAY 4, 2008	-581,460	-57,990
	In order to meet the reduction goal for Transit Services Ride On service must be reduced. The vast majority of the Transit budget (about 85%) is dedicated to Ride On service and a reduction without impacting that service is not a reasonable expectation without devastating many other non-Ride On programs. These cuts in service will impact nearly 2,000 riders per day and in some cases eliminate any transit service to these communities. The service to be eliminated are the lowest ridership routes in the Ride On system and includes a mixture of weekday, Saturday and Sunday service.		
S16	DECREASE COST: MISCELLANEOUS OPERATING EXPENDITURES	-89,500	0
	Decrease cost on miscellaneous operating expenditures		
S17	DECREASE COST: INCREASE LAPSE FOR VACANT POSITIONS	-184,270	0
	Increase lapse assumption based on current and expected vacancies.		
Mass Transit Total:		-2,001,230	358,810

Recreation**Recreation**

S1	DECREASE COST: OTHER NON-PROFESSIONAL SERVICES IN THE OFFICE OF THE DIRECTOR	-100,000	0
	These funds were to be used for accreditation expenses, Departmental training expenses, and to supplement marketing initiatives. There will be little to no impact with this savings. The initiatives and other expenses will be delayed until FY 09.		
S2	DECREASE COST: REDUCE THE FY 07 CONTRACT WITH THE YMCA FOR THE EINSTEIN SPORTS ACADEMY	-149,000	0
	The YMCA was not able to spend all the funds in the contract for the Einstein Sports Academy due to a turnover in leadership and incomplete programming plans. The remaining operating expenses were rolled over to FY 08. The YMCA has indicated that the remaining \$149,000 from FY 07 can be used toward the 2% reduction. There will be no impact to the program in FY 08.		
S7	REDUCE: OPERATING EXPENSES FOR PLAR	-100,000	0

Ref No.	Title	\$	Revenue
Recreation			
	The Department of Recreation is authorized to undertake repairs/replacements/major maintenance activities in all of its facilities funded from an operating budget PLAR fund. This year's allocation for the Department is \$990,760. The expenditure reduction will impact these activities and defer lower priority items into FY 09.		
S12	DECREASE COST: DECREASE OPERATING EXPENSES OF THE SENIOR OUTDOOR RECREATION PROGRAM (SOAR)FOR THE REMAINDER OF FY 08.	-28,960	0
	When SOAR was reclassified as a 'revenue neutral' program in FY 05, the Department's Revenue Fee Template was used and a \$220,637 budget was awarded. Since then, the year end balance has averaged \$86,369 for the past three fiscal years.		
	There will be minimal impact; the remaining budget will still allow for SOAR to operate as a 'revenue neutral' program and provide a more realistic end-of-year revenue retrieval rate.		
S20	DECREASE COST: OPERATING EXPENSES AT THE POTOMAC COMMUNITY CENTER	-4,050	0
	This amount is budgeted for the replacement of weight room equipment Potomac recently replaced two pieces of equipment. Although much of the remaining equipment is very old, it is still in working condition		
S21	DECREASE COST: LAPSE OF CAREER POSITION AT THE LELAND COMMUNITY CENTER	-16,580	0
	The impact of lapsing this position has already occurred. It was vacant from July 1st – Dec. 10th.		
S25	DECREASE COST: TEEN TEAMS	-170,000	0
	Reductions can be achieved by career staff assuming some functions that may have been assigned to seasonal staff in the past. There should be no service impact as the result of this reduction.		
S26	DECREASE COST: MISCELLANEOUS PERSONNEL AND OPERATING COSTS ASSOCIATED WITH THE RECREATION'S REGIONAL CENTERS	-35,200	0
	The impact will be minimal to regional operations. Reductions will be taken in miscellaneous expenses.		
S28	DECREASE COST: MISCELLANEOUS OPERATING EXPENSES FOR SENIOR PROGRAMS	-18,110	0
	Miscellaneous operating decreases without a service impact.		
Recreation Total:		-621,900	0

Urban District - Silver Spring**Urban Districts**

S4	DECREASE COST: INCREASE LAPSE FOR VACANT POSITIONS	-56,060	0
	Increase lapse assumption based on current and expected vacancies.		
Urban District - Silver Spring Total:		-56,060	0

Urban District - Wheaton**Urban Districts**

S1	DECREASE COST: LAPSE FOR PUBLIC RELATIONS MANAGER	-31,540	0
	The suggested 2% of the FY08 approved budget for the Wheaton Urban District is \$31,540. We have carefully reviewed our programs and services and have identified a reduction which will have the least impact on the Wheaton Urban District's ability to fulfill its core mission. The lapse for the Public Relations Manager, position # 14265.		
Urban District - Wheaton Total:		-31,540	0

Tax Supported Total:	-21,289,190	1,418,250
FY08 Net Savings:	-22,707,440	
(Total Exp. Savings & Revenue Changes)		

Ref No.	Title	\$	Revenue
<u>Liquor Control</u>			
Liquor Control			
S6	DECREASE COST: MISCELLANEOUS OPERATING AND CAPITAL EXPENSES	-1,028,910	0
	DLC will decrease miscellaneous operating expenditures including training and education, and computer supplies and office equipment, as well as deferring the replacement purchase of a delivery truck and other retail store improvements		
	Liquor Control Total:	-1,028,910	0
	Non-Tax Supported Total:	-1,028,910	0
	FY08 Net Savings:	-1,028,910	
	(Total Exp. Savings & Revenue Changes)		

Ref No.	Title	\$	Revenue
<u>Motor Pool</u>			
PWT-Fleet Management Services			
S1	DECREASE COST: FREQUENCY OF REQUIRED PREVENTIVE MAINTENANCE INTERVALS FOR BOTH ADMINISTRATIVE AND PUBLIC SAFETY VEHICLES None	-210,000	0
S2	DECREASE COST: VENDOR PRE-SEASON AIR CONDITIONING INSPECTIONS ON LARGE TRANSIT BUS FLEET None	-95,000	0
S3	DECREASE COST: VARIOUS TRANSIT SHOP PRACTICES None	-21,000	0
S4	DECREASE COST: COMPRESSED NATURAL GAS CONTRACT None	-175,000	0
S5	DECREASE COST: REPLACEMENT EXPENDITURES ON HEAVY EQUIPMENT BY DEFERRING SELECT EQUIPMENT REPLACEMENT None	-165,000	0
S6	ELIMINATE: UNDER-UTILIZED VEHICLE REPLACEMENTS None	-535,000	0
Motor Pool Total:		-1,201,000	0
<u>Printing & Mail</u>			
Public Works & Transportation			
S1	REDUCE: OVERTIME	-116,250	0
Printing & Mail Total:		-116,250	0
Internal Service Funds Total:		-1,317,250	0
FY08 Net Savings:		-1,317,250	
(Total Exp. Savings & Revenue Changes)			



MONTGOMERY COUNTY PUBLIC SCHOOLS
MARYLAND
www.montgomeryschoolsmd.org

January 9, 2008

The Honorable Michael Knapp, President
Montgomery County Council
Stella B. Werner Council Office Building
100 Maryland Avenue
Rockville, Maryland 20850

Dear *Mike* Mr. Knapp:

Pursuant to Section 5-105 (b) (4) of the Annotated Code of Maryland, I am submitting the monthly financial report for the Montgomery County Public Schools as of November 30, 2007. This report includes for each category of appropriation the following information:

- Actual expenditures as of November 30, 2007
- Projected expenditures for the remainder of FY 2008
- Projected surpluses and deficits by state category
- Explanations of each surplus or deficit

This is the first monthly financial report to reflect the effects of the expenditure restrictions and hiring freeze instituted on November 30, 2007, to identify FY 2008 savings that can be used to help fund the FY 2009 operating budget. Future monthly reports will include updated estimates of projected year-end savings.

If you or your staff have any questions or need further explanation of particular items, please contact Mr. Larry Bowers, chief operating officer, at 301-279-3626; or Dr. Marshall Spatz, director, Department of Management, Budget, and Planning, at 301-279-3547. Thank you for your consideration.

Respectfully,

Jerry D. Weast, Ed.D.
Superintendent of Schools

JDW:jp

Enclosure

Copy to:

Members of the County Council

Members of the Board of Education

Executive Staff

Mr. Ikheola

Ms. McGuire

Office of the Superintendent of Schools

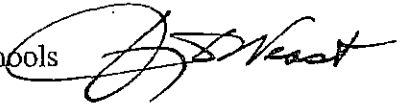
850 Hungerford Drive, Room 122 ♦ Rockville, Maryland 20850 ♦ 301-279-3381

Office of the Superintendent of Schools
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

January 8, 2008

MEMORANDUM

To: Members of the Board of Education

From: Jerry D. Weast, Superintendent of Schools 

Subject: Monthly Financial Report and Year-end Projections as of November 30, 2007

This financial report reflects the actual financial condition of the Montgomery County Public Schools (MCPS) as of November 30, 2007, and projections through June 30, 2008, based on program requirements and estimates made by primary and secondary account managers. At this time, revenues are on target, while expenses have a projected surplus of \$10,200,000. Staff will continue to closely monitor both revenues and expenditures. A discussion of the actual financial condition of MCPS as of November 30, 2007, and projected revenues and expenditures through June 30, 2008, follows.

REVENUE

Total revenue is projected to be \$1,999,191,811. This amount is equal to the revised budgeted amount. Projected county, state, federal, and other revenues are described below.

County

The projected revenue from the county is \$1,449,195,891.

State

The projected revenue from the state is \$389,331,770.

Federal

The projected revenue from Impact Aid is \$230,000.

Other

The projected revenue from other sources is \$5,686,604.

Appropriated Fund Balance

The projected revenue from appropriated fund balance is \$7,298,453.

Enterprise Funds

The projected revenue from enterprise funds is \$54,305,219.

Supported Projects

The anticipated revenue for supported projects is \$93,143,874. This estimate includes \$14,174,192 carried forward from FY 2007. Projects approved through November 30, 2007, have been assigned \$78,969,682.

EXPENDITURES

There is a projected surplus of \$10,200,000. Projected deficits in Category 6, Special Education; Category 9, Student Transportation; and Category 12, Fixed Charges are offset by surpluses in Category 1, Administration; Category 2, Mid-level Administration; Category 3, Instructional Salaries; Category 4, Textbooks and Instructional Supplies; Category 5, Other Instructional Costs; and Category 11, Maintenance of Plant.

On November 21, 2007, Mr. Isiah Leggett, county executive, requested each county agency to initiate a budget savings plan for FY 2008. He asked each outside agency and directed each county department to reduce tax-supported expenditures by 2 percent. For FY 2008, that totals \$37 million in savings for MCPS. Although it is not possible to make mid-year savings of the magnitude requested, I have put into place a comprehensive set of expenditure restrictions, including a hiring freeze. State categories with projected deficits must be offset with savings in other categories before net savings to meet the county executive's savings target can be realized. The projected deficits in Category 6, Special Education, of \$2,700,000; Category 9, Student Transportation, of \$2,500,000; and Category 12, Fixed Charges, of \$500,000 total \$5,700,000. Offsetting these deficits with surpluses in other state categories and identifying net savings of \$10,200,000 yields a total savings of \$15,900,000. With the exception of the categories in deficit, including Category 12, Fixed Charges, savings identified in other state categories at this time are slightly less than 1.4 percent of budgeted expenditures.

Comprehensive expenditure restrictions were imposed on November 30, 2007, requiring account managers to make only necessary expenditures for the remainder of the fiscal year. Each account manager included the impact of these comprehensive expenditure restrictions with his or her expenditure projections for the remainder of the fiscal year. An estimate of savings has been made, based on a preliminary review of the expenditure projections, prior to evaluating requested exceptions. These estimates have been incorporated into this monthly financial report.

The following provides an explanation for each of the categorical variations:

Category 1—Administration

The projected surplus of \$500,000 has increased from last month by \$1,700,000 to \$2,200,000 in Category 1, Administration. Estimated savings in Category 1 are 5.1 percent of budgeted expenditures. The surplus is a result of salary savings due to higher than budgeted lapse and turnover and other projected savings as a result of the comprehensive expenditure restrictions imposed on November 30, 2007.

Category 2—Mid-level Administration

The projected surplus of \$600,000 has increased from last month by \$1,600,000 to \$2,200,000 in Category 2, Mid-level Administration. Estimated savings in Category 2 are 1.7 percent of budgeted expenditures. The surplus is a result of salary savings due to higher than budgeted lapse and turnover and other projected savings as a result of the comprehensive expenditure restrictions imposed on November 30, 2007.

Category 3—Instructional Salaries

The projected surplus of \$2,000,000 has increased from last month by \$1,800,000 to \$3,800,000 in Category 3, Instructional Salaries. The surplus is due to higher than budgeted salary lapse and turnover savings and other projected savings as a result of the comprehensive expenditure restrictions imposed on November 30, 2007. All planned training activities are being reviewed and some activities will be cancelled or delayed. Other restrictions, such as providing staff development substitutes, will be considered.

Category 4—Textbooks and Instructional Supplies

The projected surplus of \$6,000,000 in Category 4, Textbooks and Instructional Supplies, is based on the effect of the comprehensive expenditure restrictions imposed on November 30, 2007. School allocations for textbooks and instructional supplies are exempt from the restrictions, but savings are projected in centrally purchased materials. Each year, Category 4 includes approximately \$4 million to implement the Board of Education's textbook initiative—purchasing textbooks centrally for the revised curricula. In prior years, these purchases have been forward funded. Therefore, this year's textbooks were purchased with FY 2007 funds. A one-time \$4 million savings can be made by delaying the purchase of books for FY 2009 curricula initiatives until next year.

Category 5—Other Instructional Costs

The projected surplus of \$1,000,000 in Category 5, Other Instructional Costs, is based on the comprehensive expenditure restrictions imposed on November 30, 2007. The surplus is primarily a result of restrictions on furniture and equipment purchases and staff development activities. Estimated savings in regular instruction program costs, Categories 3, 4, and 5, are 1.3 percent of budgeted expenditures.

Category 6—Special Education

The projected deficit of \$2,600,000 has increased from last month by \$100,000 to \$2,700,000 in Category 6, Special Education. The deficit is largely due to higher than anticipated enrollment in nonpublic schools. The deficit also is the result of higher than anticipated numbers of students identified for special education services. Consequently, the number of special education teachers and special education paraeducators is projected to be greater than anticipated. Also contributing to the deficit is a higher than anticipated number of students in deaf and hard of hearing programs needing interpreting services.

Category 9—Student Transportation

The projected deficit of \$1,500,000 has increased from last month by \$1,000,000 to \$2,500,000 in Category 9, Student Transportation. This increase in the projected deficit is the result of higher than anticipated salary costs. Salary lapse and turnover savings are lower than in previous years due to success in hiring bus operators and attendants. In addition, the reclassification of bus operator positions and the new supervisory model have contributed to the deficit. The Category 9 deficit also is the result of fuel costs. The FY 2008 budgeted amount for diesel fuel per gallon is \$2.50; however, the cost of diesel fuel has increased to \$3.09 per gallon.

Category 11—Maintenance of Plant

The projected surplus of \$700,000 in Category 11, Maintenance, is based on the comprehensive expenditure restrictions imposed on November 30, 2007. The surplus is the result of salary savings due to higher than anticipated lapse and turnover and other comprehensive expenditure restrictions. Estimated savings in Category 11 are 2.2 percent of budgeted expenditures.

Category 12—Fixed Charges

The projected deficit of \$500,000 in Category 12, Fixed Charges, is the result of higher than anticipated requests for tuition reimbursement from both professional and supporting services staff. However, it was not possible to complete a comprehensive review of this category and the anticipated impact of the hiring restrictions and the salary savings in other categories for this financial report. The results of this analysis will be included in the next monthly report.

JDW:LAB:MCS:vnb

Attachments

MONTGOMERY COUNTY PUBLIC SCHOOLS
Monthly Financial Report and Year-end Projections
As of November 30, 2007

REVENUE

Source	FY 2008 Original Budget	Revised Budget	Projection		Current Report Variance Over (Under) Revised Budget
			As of 11/30/2007	As of 10/31/2007	
County	\$1,449,195,891	\$1,449,195,891	\$1,449,195,891	\$1,449,195,891	\$ -
State	389,331,770	389,331,770	389,331,770	389,331,770	-
Federal	230,000	230,000	230,000	230,000	-
Other	5,686,604	5,686,604	5,686,604	5,686,604	-
Appropriated fund balance	7,298,453	7,298,453	7,298,453	7,298,453	-
Subtotal	1,851,742,718	1,851,742,718	1,851,742,718	1,851,742,718	-
Food Services	46,717,154	46,717,154	46,717,154	46,717,154	-
Real Estate Management	2,317,953	2,317,953	2,317,953	2,317,953	-
Field Trip	2,079,338	2,079,338	2,079,338	2,079,338	-
Entrepreneurial Activities	1,669,774	1,669,774	1,669,774	1,669,774	-
Instructional Television	1,521,000	1,521,000	1,521,000	1,521,000	-
Supported Projects	78,969,682	93,143,874 (a)	93,143,874	93,143,874	-
Total	<u>\$1,985,017,619</u>	<u>\$1,999,191,811</u>	<u>\$1,999,191,811</u>	<u>\$1,999,191,811</u>	<u>\$ -</u>

Notes:

(a) Includes \$14,174,192 carried forward from FY 2007.

MONTGOMERY COUNTY PUBLIC SCHOOLS
Monthly Financial Report and Year-end Projections
As of November 30, 2007

EXPENDITURES

Category	Authorized Expenditures	Expenditures and Encumbrances 11/30/2007	Projected Expenditures 6/30/2007	Current Report Projected Year-end Balance	Prior Report Projected Year-end Balance	Variance Over (Under)	(a) Percentage
01 Administration	\$ 42,934,496	\$ 35,433,721	\$ 5,300,775	\$ 2,200,000	\$ 500,000	\$ 1,700,000	5.12
02 Mid-level Administration	128,190,115	122,776,968	3,213,147	2,200,000	600,000	1,600,000	1.72
03 Instructional Salaries	780,028,343	744,680,481	31,547,862	3,800,000	2,000,000	1,800,000	0.49
04 Textbooks and Instructional Supplies	33,775,459	16,197,051	11,578,408	6,000,000	-	6,000,000	17.76
05 Other Instructional Costs	15,074,776	7,724,112	6,350,664	1,000,000	-	1,000,000	6.63
06 Special Education	220,987,004	216,118,731	7,568,273	(2,700,000)	(2,600,000)	(100,000)	(1.22)
07 Student Personnel Services	10,117,770	9,991,273	126,497	-	-	-	-
08 Health Services	46,138	7,180	38,958	-	-	-	-
09 Student Transportation	84,474,852	67,499,507	19,475,345	(2,500,000)	(1,500,000)	(1,000,000)	(2.96)
10 Operation of Plant and Equipment	112,346,361	79,302,187	33,044,174	-	-	-	-
11 Maintenance of Plant	32,017,430	27,527,232	3,790,198	700,000	-	700,000	2.19
12 Fixed Charges	391,699,974	172,726,281	219,473,693	(500,000)	(500,000)	-	(0.13)
14 Community Services	50,000	50,000	-	-	-	-	-
Subtotal	1,851,742,718	1,500,034,724	341,507,994	10,200,000	(1,500,000)	11,700,000	0.55
61 Food Services	46,717,154	28,772,815	17,944,339	-	-	-	-
51 Real Estate Management	2,317,953	1,815,414	502,539	-	-	-	-
71 Field Trip	2,079,338	558,394	1,520,944	-	-	-	-
81 Entrepreneurial Activities	1,669,774	913,978	755,796	-	-	-	-
37 Instructional Television Supported Projects	1,521,000 93,143,874	1,207,294 64,831,140	313,706 28,312,734	- -	- -	- -	- -
Total	\$ 1,999,191,811	\$ 1,598,133,759	\$ 390,858,052	\$ 10,200,000	\$ (1,500,000)	\$ 11,700,000	0.51

Note:


(a) Percentage of projected year-end balance to authorized expenditures.

Office of the Chief Operating Officer
MONTGOMERY COUNTY PUBLIC SCHOOLS
Rockville, Maryland

November 30, 2007

MEMORANDUM

To: Executive Staff

From: Larry A. Bowers, Chief Operating Officer 

Subject: FY 2008 Operating Budget Expenditure Restrictions

Due to increasing concerns about the economic outlook, the superintendent of schools has determined that it is necessary to impose restrictions on expenditures in the current fiscal year. These expenditure restrictions are effective immediately and until further notice. Financial projection reports as of November 30, 2007, must include the effect of the expenditure restrictions, including expected requests for exceptions.

Background

Recent reports from Montgomery County Government financial staff indicate significant economic problems that have resulted in lower than anticipated tax receipts for the current fiscal year. In particular, income tax receipts and real estate transfer and recordation revenues are far below earlier estimates. These revenue shortfalls at the county level may worsen if economic conditions deteriorate. Accordingly, Mr. Isiah Leggett, county executive, has requested all county agencies and departments to reduce current year expenditures by 2 percent to mitigate problems for FY 2009. For the Montgomery County Public Schools (MCPS), that means \$37 million in FY 2008 savings. As a result of staff's efforts in FY 2004, the last year of comprehensive expenditure restrictions, MCPS achieved \$9.2 million in expenditure savings that were used to fund the FY 2005 Operating Budget. We will need commitment and dedication this year to maximize expenditure savings.

Because almost 90 percent of the MCPS operating budget consists of salaries and employee benefits, it is difficult to make reductions mid-year. This year, it will be particularly difficult to achieve savings because student enrollment is approximately 700 students higher than anticipated. In addition, expenditures for such items as diesel fuel for school buses and tuition payments for special education students who require nonpublic placement are exceeding budgeted estimates. Attached is a copy of a memorandum from Dr. Jerry D. Weast, superintendent of schools, to members of the Board of Education that describes the fiscal outlook in greater detail. As a result of these economic and fiscal forecasts, it is necessary to take steps to reduce both short-term and long-term fiscal commitments. The restrictions detailed below are effective immediately. Each office will be expected to make only absolutely necessary

expenditures. Without specific authorization, positions that are not exempt from the freeze may not be filled, no equipment may be ordered, and no new commitments may be made for nonposition salaries, contractual services, or consultants.

These expenditure restrictions also apply to school-based expenditures, except where exceptions are specifically noted. Enterprise funds are not included in the restrictions. Restrictions on grant expenditures will depend on the terms of specific grants, the details of which are discussed below.

Positions

1. All position vacancies are frozen, with the following exceptions:

- Principals
- Special education teachers, speech pathologists, occupational/physical therapists
- English for Speakers of Other Languages (ESOL) vacancies that can be filled by increasing the assignment of an already employed ESOL teacher
- Bus operators and attendants
- Building service managers
- School administrative secretaries
- Secretary I positions in elementary schools
- Security team leaders
- Security assistants in middle schools
- Special education paraeducators
- Interpreters

2. All other teacher positions will be filled by long-term substitutes. Any exceptions must have prior approval.

3. Schools that have already filled a position vacancy with a temporary employee can continue this employment until the designated end date on the Form 460-2. End dates will not be extended. Any hours for the employee cannot be increased beyond the current allocation. This exemption is only for temporary employees who are filling vacancies.

4. All other school-based supporting services staff positions, including paraeducator positions, are frozen. Unless specifically approved, existing paraeducators may not be authorized for additional time.

5. Supporting services employees who work part-time temporary hours above their position allocations, doing the same work, may be paid at their hourly rate.

6. Positions in enterprise funds are exempt from the freeze.

7. Other position vacancies may not be filled unless job offers have been made and accepted as of November 30, 2007. If there is any question as to the date of a job offer, contact the Department of Recruitment and Staffing.

Other Salaries

1. Overtime—Only emergency overtime is permitted. Except for emergency overtime in the departments of Transportation and Facilities Management, all emergency overtime must be preapproved by the responsible associate superintendent according to existing procedures. Overtime in nonemergency situations must not be authorized.
2. Temporary employment is frozen, with the following exceptions:
 - Per diem psychologists
 - Bus operator and attendant substitutes
 - Interpreters
 - Home and hospital instructors
 - School-based clerical/guidance allocations
 - School Improvement Plan expenditures
3. School allocations for nonposition salaries for staff development substitutes, the Professional Learning Communities Institute (PLCI) activities, and collaborative planning time in the five Phase 1 Middle School Reform schools are exempt.

Nonschool-based temporary employment requires a prior exception. Unless an exception is specifically authorized, all previously authorized part-time temporary employment must cease after December 21, 2007.

Contractual Services

1. New Contractual Commitments—No new contractual commitments may be made except for emergency repairs, waste disposal, speech and language and interpretation services, and the extension of existing maintenance agreements for copiers or computers. This restriction also applies to school-based expenditures.
2. Existing Contractual Commitments—Each office must review contractual service encumbrances to see if they can be cancelled. This review must be included as part of the monthly financial support submission.
3. Consultants—All commitments for consultant services will require an exception. Services under ongoing consultant contracts must cease after December 21, 2007, unless specifically authorized through the exception process. Offices should submit their plans to use consultants by December 10, 2007, in order to ensure continuation of consultants after January 1, 2008.

Supplies and Materials

1. Schools will be allowed to purchase textbooks, materials of instruction, and media and office supplies.
2. Building service supplies are exempt from the freeze.
3. For all nonschool-based offices, supplies and materials may be ordered only to permit employees to continue essential duties. All requests for nonschool-based supply and material orders require an approved exception.
4. Materials and supplies for maintenance work, vehicle maintenance, and printing materials are exempt.
5. Printing orders for new items must be authorized in writing by a primary account manager before the Electronic Graphics and Publishing Unit may accept them. All Copy Plus orders from schools will be approved.

Other Expenditures

1. Staff will continue to be reimbursed for local travel.
2. Travel expenditures for employee recruitment may proceed.
3. Travel expenditures that are the result of negotiated agreements may proceed. All other travel commitments are frozen.
4. Employees must not arrange travel expenditures unless the travel has been previously authorized. Any arrangements made after this notification will not be honored.
5. Expenditures for dues, registrations, and subscriptions require advance authorization.

Furniture and Equipment

1. All furniture and equipment purchases are frozen and require freeze exceptions.
2. The acquisition of school buses is exempt from this restriction.
3. Any new lease or master lease commitments require an approved exception.

Grants

1. Expenditures for nonbudgeted grants (i.e., competitive grants that have no local component) are exempt from expenditure restrictions. These grants must be spent according to the terms of the grant. Project managers should check with their budget specialist to determine if the grant falls within this category.
2. Budgeted grants that have a local component (i.e., grants that include locally funded expenditures as part of the budgeted program) are subject to expenditure restrictions. These grants also must be expended according to the terms of the grant, but all expenditures not otherwise exempt under the provisions listed above must be scrutinized for opportunities to shift local expenditures to the grant. Grant managers must request exceptions to authorize expenditures in these grants, unless otherwise exempt, and show why it is not possible to shift locally funded expenditures to the grant.
3. Project managers for budgeted grants must prepare expenditure plans for FY 2008 showing how they plan to spend out the grant within the fiscal year. These plans must be submitted to the Department of Management, Budget, and Planning no later than December 14, 2007.

Exception Process

1. Exceptions to the freeze will be permitted only for emergencies or other absolutely unavoidable expenditures if authorized by the chief operating officer.
2. Any exceptions must be requested by memorandum to the chief operating officer through the director of Management, Budget, and Planning from the deputy superintendent of schools, chief operating officer, chief of staff, chief school performance officer, chief academic officer, chief technology officer, or an associate superintendent. Secondary account managers may not directly request an exception.
3. Exception requests must describe why the proposed expenditure is an emergency or absolutely unavoidable, and why the unit has not been able to realign expenditures to meet the emergency.
4. A committee consisting of the director of the Department of Management, Budget, and Planning, the chief financial officer, and representatives of the deputy superintendent of schools and the chief operating officer will make a recommendation to the chief operating officer regarding all exception requests. The decision of the chief operating officer will be final.
5. The chief operating officer may announce additional expenditure restrictions. Executive staff should remain alert for these announcements.

Requests for approval of exceptions must be justified according to the following criteria:

1. Emergency spending that cannot be avoided without endangering health or safety
2. Expenditures for supplies and materials absolutely necessary for employees to continue assigned duties
3. Unavoidable contractual commitments
4. Expenditures without which essential operations could not continue
5. Expenditures for which no alternative revenue sources, such as grants, are available

Until exceptions are approved, no expenditure should be made that would conflict with these criteria.

Orientation

Orientation meetings to explain the FY 2008 expenditure restrictions and the process for applying for exceptions will be held on December 4, 2007, at 2:30 p.m. and December 7, 2007, at 2:00 p.m. in the Board Room. All account managers should attend one of these meetings. Immediately after each orientation, there will be a special meeting for grants managers to review the provisions concerning grant expenditures.

I want to thank you for your cooperation. These expenditure restrictions are absolutely essential to maintain the high quality of instruction for all of our children despite growing fiscal constraints.

If you have any questions, please contact Dr. Marshall Spatz, director, Department of Management, Budget, and Planning, at 301-279-3547 or me.

LAB:vnb

Attachment

Copy to:

Members of the Board of Education

Ms. DeGraba

Mr. Doody

Ms. Woodburn

Ms. Cullison

Ms. Cuttitta

Dr. Newman

Dr. de Winter



January 3, 2008

Office of the President

The Honorable Michael Knapp, President
Montgomery County Council
and
Members of the Montgomery County Council
Stella B. Werner Council Office Building
100 Maryland Avenue
Rockville, Maryland 20850

Dear Mr. Knapp and Members of the Montgomery County Council:

Montgomery College understands the County's need to reduce expenditures. And we intend to do our part. We do so in the knowledge that the County Council's support for the College remains unwavering and that Council members have been — and will continue to be — valued friends of Montgomery College and the students we serve.

It is with this in mind that I have asked the College community for understanding and cooperation as we implement the following measures, effective immediately:

- A three-month hiring delay on all vacant positions. Some of these positions will not be filled this fiscal year.
- A deferral of all major purchases that are not essential to the maintenance of the services we offer our students. All purchase resolutions proposed for action by the Board of Trustees will be very carefully scrutinized by the President's Executive Council to determine if they should proceed at this time. This executive review will be guided by an abiding commitment to fiscal restraint.

We believe that these actions are both necessary and prudent. They represent a good-faith effort to meet the two-percent target that the County Executive has mandated.

We are hopeful that these reductions (totaling approximately \$2 million) will neither compromise the College's effectiveness nor unduly burden the tens of thousands of students and families we serve. I would, however, ask you to remember that we are experiencing an enrollment surge. Last semester, our credit hour enrollment reached a record level, and we are projected to top this level in the semester that opens later this month. We believe — and I know you concur — that the quality of the services we offer our students is essential to the County's long-term economic vitality. We offer Montgomery County a return on investment that few agencies can match.

The Honorable Michael Knapp
Members of the Montgomery County Council
January 3, 2008
Page 2

The challenge before you is imposing. At Montgomery College, we are confident that you will meet this challenge in a manner that best serves the residents — and especially the students — of Montgomery County. We wish you the best in this endeavor.

Sincerely,

A handwritten signature in cursive script, reading "Brian K. Johnson".

Brian K. Johnson, Ed.D.
President

cc: The Honorable Isiah Leggett
Ms. Roberta F. Shulman, Chair, Montgomery College Board of Trustees




MONTGOMERY COUNTY PLANNING BOARD
THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

MEMORANDUM

January 7, 2008

To: Michael Knapp, President
Montgomery County Council
100 Maryland Avenue
Rockville, Maryland 20850

From: 
Royce Hanson, Chairman
Montgomery County Planning Board

The Montgomery County Planning Board has carefully reviewed the current fiscal status of its tax-supported budgets to determine how we can best accomplish 2% savings from our FY 2008 Budget and participate in a FY08 savings plan to address the projected a shortfall of \$410 million.

Background

We are in a somewhat unique situation because, as you will recall, the Council will remember that you approved an ambitious work program for FY08 and increased professional services and work years to achieve it. At the same time, the Council increased the salary lapse for both the Planning and the Parks Departments by 3% at the outset of the current fiscal year. (The Commission's budget was proposed with a lapse rate of 4.5% and it was increased to 7.5%.) For the Planning Department, the 3% increase in lapse represented a reduction of the initial budget by approximately \$541,000 and for the Department of Parks, the reduction was approximately \$1.5 million – for a total of initial reduction in the budget of approximately \$2 million. With these actions, the Council specifically stated that we should return with requests for supplemental funding as vacancies were filled in excess of the lapse target – that is, the lapse reduction was not a “mandated” lapse, but rather a challenge to the Department effectively to increase its hiring efforts.

On December 6, 2007, the Planning Board received a financial report on the actual expenditures for the first four months of the FY08 along with estimation of expenditures for the remaining eight months. For the two tax-supported funds, the following was reported:

- The Administration Fund has a projected expenditure level of 102%
- The Park Fund has a projected expenditure level of 103%.

This reflects the success of both Departments in working aggressively to fill vacancies. In addition to placing a high priority on filling vacancies with permanent career employees, the Departments have utilized temporary employees and contractors as a stop-gap measure in order to achieve the work program goals in certain critical areas. These two factors have resulted in the Departments projecting the over expenditure in the FY08 budget noted above.

Planning Department

For FY08, the Planning Department's approved share of the Administration Fund is \$18,007,100. At this point, the Department has projected the need for a supplemental of approximately \$528,000¹. Under the Council's original directive, the Department would be requesting a supplemental of \$528,000 this winter.

For the Planning Department, a savings of 2% of the approved Administration Fund budget would equate to \$360,140. To meet the 2% savings, the following actions have been identified:

Action	Savings
Do not fill at least four vacancies for remainder of FY08	\$180,000
Senior Management has identified positions to "freeze." The selection looked at the drop in development applications yet spread the impact of the reductions amongst most divisions.	
Cut spending in professional services (including Master Plan consultant services, Development Review engineering studies, economic studies, delay of computer replacements, and elimination of training and management improvement efforts)	\$180,100
Total Planning Department	\$360,100

Again, this 2% savings plan still assumes approval of a \$528,000 supplemental. Without a supplemental, the Planning Department's work program will require deep cuts and delays. We have begun identifying some of the program changes that may be necessary and will be prepared to discuss them with the Council should they prove necessary.

Department of Parks

¹ This figure does not include consideration of shortfalls in the Development Review Special Revenue Fund which are projected at approximately \$993,000. The Department will be proceeding to request a supplemental for this shortfall.

The total adopted FY 08 Park Fund budget is \$71,885,700, exclusive of debt service, reserves, and grants. At this point the Department of Parks needs a special supplemental of \$1,947,700. A 2% savings from the approved budget would require savings of \$1,437,700.

To meet the 2% savings request the Department, the following actions have been identified:

Action	Savings
Do not fill approximately 33 vacancies for the remainder of FY08 There are presently 63 tax funded vacancies. Staff identified 33 positions that could be subject to delayed hiring to the last quarter of FY08	\$1,197,900
Reduce Supplies and Materials and Other Services and Charges Targeted reductions in supplies, materials, professional service contracts, travel, conferences, equipment, and vehicle purchases.	\$239,800
Total Department of Parks	\$1,437,700

Central Administrative Services (CAS)

The total FY08 adopted budget for CAS in Montgomery County is \$6,978,200. CAS includes the Department of Human Resources and Management (DHRM), the Department of Finance, the Legal Department, the Merit Board, and Support Services. A two percent reduction corresponding the Montgomery County side of our operations equates to a total of \$139,500:

Department of Human Resources and Management:	\$ 59,200
Department of Finance:	\$ 59,100
Legal Department:	\$ 21,200
Total CAS (Montgomery County operations)	\$139,500

Included under the \$59,200 for DHRM is the 2% savings for Support Services (\$10,100) and the Merit Board (\$1,000).

All three Departments within CAS will attempt to achieve the 2% cut through salary lapse. If mid-year projections to be completed later this winter demonstrate that 2% is not attainable through normal attrition and replacement, we may need to hold vacancies to generate additional savings. Since CAS is a bi-county entity whose expenditures are divided evenly between Montgomery and Prince George's Counties, it will take a cut of \$279,000 to ensure we save \$139,500 in Montgomery County. This may limit our savings strategies because we need to involve Prince George's in the discussion.

Conclusion

In most fiscal years, the Commission through sound fiscal management would be able to tolerate the requested 2% savings without significant impact on the work program. However the rather unique approval conditions of our FY08 budget – an upfront lapse increase of 3%, with no diminishment in the work to be produced – would place us in a potentially untenable situation if the Council opts to require a 2% savings without considering approval of the planned supplementals described above.

The Planning Board desires to fulfill its obligation as a cooperative agency during the County's fiscal crisis and will work with the Council to the best of its ability. We seek your direction on whether we should proceed with the 2% savings plan described above, whether we should request the supplementals as described above, and – depending on your direction – whether we should consider changes to our approved work program and list of deliverables that were promised in the FY08 budget discussions.

cc: Steve Farber
Marlene Michaelson